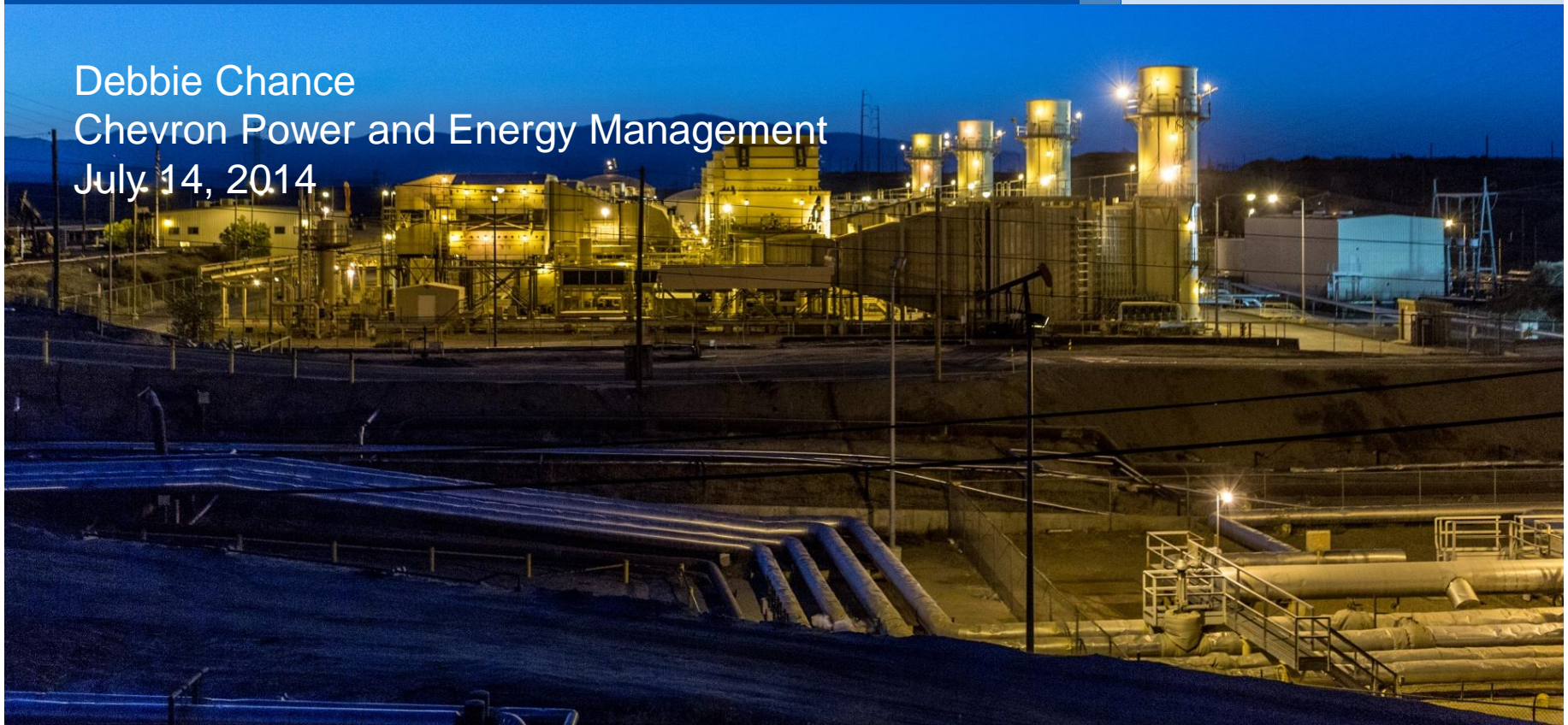


CEC CHP Workshop



Debbie Chance
Chevron Power and Energy Management
July 14, 2014



Deciding to Invest in CHP



It's ALL about the heat....



Economic and Regulatory Challenges



- Departing Load
- Behind the Meter Issues
 - Barrier to update efficiency if forced to update contract every time
 - Sometimes the existing contract itself is at risk
- AB 1613
 - No Clear Path for Implementation of GHG reimbursement in AB 1613
 - Monthly GHG reporting not aligned with AB32 MRR



How Can the State Support Development?



- Remove Barriers
 - Departing Load
 - Interconnection Process
- Recognize thermally-driven projects are not merchant power plants
- Regulatory timeline not supportive of pilot programs/technology development
- Deem CHP as an energy efficiency measure
- Deem CHP as a compliance mechanism for GHG reduction
- Deem waste heat capture as clean generation